

If the test was today, could you
answer these questions?

If the answer is no, you need to study!

- Define price elasticity of demand, cross elasticity of demand, income elasticity of demand.

- Draw a perfectly inelastic demand curve, a perfectly elastic demand curve, and a unit elastic demand curve.

- Draw a perfectly elastic and perfectly inelastic supply curve.

- If the PED of a product is 2, what do you know about the product? So what?

- Is the demand for college education price elastic or price inelastic?
Explain your reasoning?

- If XED of Product X and Product Y is -2, what do you know about the products? So what?

- If the YED of a product is 3, what do we know about the product? So what?

- If the PES of a product is .5, what do we know about the product?

- If the price of Product X increase 10% and quantity demanded drops 5%, what is the PED for Product X?

- If the price of Product Y decreases 5% and the quantity demanded for Product X decreases 50%, what is the XED of for Product X?

- If Billy's income increases 20% and his quantity demanded for hot dogs decreases 10%, what is the YED?

- If price increases 10% and quantity supplied increases 5%, what is the PES?